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# A BILL FOR AN ACT

RELATING TO INSURANCE.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1       SECTION 1. Chapter 431, Hawaii Revised Statutes, is  
2       amended by adding a new article to be appropriately designated  
3       and to read as follows:

4                               **"ARTICLE**

5                               **CORPORATE GOVERNANCE ANNUAL DISCLOSURE**

6       **§431: -A Purpose and scope.** (a) The purpose of this  
7       article is to:

8           (1) Provide the commissioner a summary of an insurer's or  
9           insurance group's corporate governance structure,  
10          policies, and practices to permit the commissioner to  
11          gain and maintain an understanding of the insurer's  
12          corporate governance framework;

13          (2) Specify the requirements for completing a corporate  
14          governance annual disclosure with the commissioner;  
15          and

16          (3) Provide for the confidential treatment of the  
17          corporate governance annual disclosure and related



1 information that will contain confidential and  
2 sensitive information related to an insurer's or  
3 insurance group's internal operations and proprietary  
4 and trade secret information which, if made public,  
5 could potentially cause the insurer or insurance group  
6 competitive harm or disadvantage.

7 (b) Nothing in this article shall be construed to  
8 prescribe or impose corporate governance standards and internal  
9 procedures beyond the standards and procedures required under  
10 applicable state corporate law. Notwithstanding the foregoing,  
11 nothing in this article shall be construed to limit the  
12 commissioner's authority, or the rights or obligations of third  
13 parties, under sections 431:2-303 and 431:11-107.

14 (c) The requirements of this article shall apply to all  
15 insurers domiciled in this State.

16 **§431: -B Definitions.** For the purposes of this article:

17 "Corporate governance annual disclosure" means a  
18 confidential report filed by the insurer or insurance group made  
19 in accordance with the requirements of this article.



1 "Insurance group" means those insurers and affiliates  
2 included within an insurance holding company system as defined  
3 in article 11.

4 "Insurer" has the same meaning as in section 431:1-202,  
5 except that it shall not include agencies, authorities or  
6 instrumentalities of the United States, its possessions and  
7 territories, the Commonwealth of Puerto Rico, the District of  
8 Columbia, or a state or political subdivision of a state.

9 "Own risk and solvency assessment summary report" means the  
10 report filed in accordance with section 431:3D-105.

11 **§431: -C Disclosure requirement.** (a) An insurer or the  
12 insurance group of which the insurer is a member shall, no later  
13 than June 1 of each calendar year, submit to the commissioner a  
14 corporate governance annual disclosure that contains the  
15 information described in section 431: -E. Notwithstanding any  
16 request from the commissioner made pursuant to subsection (c),  
17 if the insurer is a member of an insurance group, the insurer  
18 shall submit the report required by this section to the  
19 commissioner of the lead state for the insurance group, in  
20 accordance with the laws of the lead state, as determined by the  
21 procedures outlined in the most recent Financial Analysis



1 Handbook adopted by the National Association of Insurance  
2 Commissioners.

3 (b) The corporate governance annual disclosure shall  
4 include a signature of the insurer's or insurance group's chief  
5 executive officer or corporate secretary attesting to the best  
6 of that individual's belief and knowledge that the insurer has  
7 implemented the corporate governance practices and that a copy  
8 of the disclosure has been provided to the insurer's board of  
9 directors or the appropriate committee thereof.

10 (c) An insurer not required to submit a corporate  
11 governance annual disclosure under this section shall do so upon  
12 the commissioner's request.

13 (d) For purposes of completing the corporate governance  
14 annual disclosure, the insurer or insurance group may provide  
15 information regarding corporate governance at the ultimate  
16 controlling parent level, an intermediate holding company level,  
17 or the individual legal entity level, depending upon how the  
18 insurer or insurance group has structured its system of  
19 corporate governance. The insurer or insurance group is  
20 encouraged to make the corporate governance annual disclosure at  
21 the level at which:



1 (1) The insurer's or insurance group's risk appetite is  
2 determined;

3 (2) The earnings, capital, liquidity, operations, and  
4 reputation of the insurer are overseen collectively  
5 and at which the supervision of those factors is  
6 coordinated and exercised; or

7 (3) Legal liability for failure of general corporate  
8 governance duties would be placed.

9 If the insurer or insurance group determines the level of  
10 reporting based on these criteria, it shall indicate which of  
11 the criteria described in paragraphs (1) to (3) was used to  
12 determine the level of reporting and explain any subsequent  
13 changes in the level of reporting.

14 (e) The review of the corporate governance annual  
15 disclosure and any additional requests for information shall be  
16 made through the lead state as determined by the procedures  
17 within the most recent Financial Analysis Handbook adopted by  
18 the National Association of Insurance Commissioners.

19 (f) Insurers providing information substantially similar  
20 to the information required by this article in other documents  
21 provided to the commissioner, including proxy statements filed



1 in conjunction with Form B requirements, or other state or  
2 federal filings provided to the insurance division shall not be  
3 required to duplicate that information in the corporate  
4 governance annual disclosure, but shall only be required to  
5 cross-reference the document in which the information is  
6 included.

7       **§431: -D Rules.** The commissioner may adopt rules and  
8 issue orders to carry out the provisions of this article.

9       **§431: -E Contents of corporate governance annual**  
10 **disclosure.** (a) The insurer or insurance group shall have  
11 discretion over the responses to the corporate governance annual  
12 disclosure inquiries; provided that the corporate governance  
13 annual disclosure shall contain the material information  
14 necessary to permit the commissioner to gain an understanding of  
15 the insurer's or insurance group's corporate governance  
16 structure, policies, and practices. The commissioner may  
17 request additional information deemed material and necessary to  
18 provide the commissioner with a clear understanding of the  
19 corporate governance policies, the reporting or information  
20 system, or the controls implementing those policies.



1 (b) Notwithstanding subsection (a), the corporate  
2 governance annual disclosure shall be prepared to be consistent  
3 with rules adopted by the commissioner. Documentation and  
4 supporting information shall be maintained and made available  
5 upon examination or request of the commissioner.

6 §431: -F Confidentiality. (a) Insofar as it includes  
7 information relating to specific insurers or insurance groups,  
8 any record or information in the possession or control of the  
9 insurance division that was obtained by, created by, or  
10 disclosed to the commissioner or any other person under this  
11 article, including but not limited to corporate governance  
12 annual disclosures and the information they contain,  
13 communications between the insurance division and insurers or  
14 insurance groups, and internal records of the insurance  
15 division, shall be confidential by law and privileged, shall not  
16 be subject to disclosure pursuant to chapter 92F, shall not be  
17 subject to subpoena, and shall not be subject to discovery or  
18 admissible in evidence in any private civil action. This  
19 section shall not be interpreted to limit the application of  
20 exceptions to disclosure under chapter 92F to any records or  
21 information not specifically made confidential by this section.



1 However, the commissioner may use the documents, materials, or  
2 other information in the furtherance of any regulatory or legal  
3 action brought as a part of the commissioner's official duties.  
4 The commissioner shall not otherwise make the documents,  
5 materials, or other information public without the prior written  
6 consent of the insurer. Nothing in this section shall be  
7 construed to require written consent of the insurer before the  
8 commissioner may share or receive confidential documents,  
9 materials, or other information related to the corporate  
10 governance annual disclosure pursuant to subsection (c) to  
11 assist in the performance of the commissioner's regular duties.

12 (b) Neither the commissioner nor any person who received  
13 documents, materials, or other information related to the  
14 corporate governance annual disclosure through examination or  
15 otherwise, while acting under the authority of the commissioner,  
16 or with whom such documents, materials, or other information are  
17 shared pursuant to this article shall be permitted or required  
18 to testify in any private civil action concerning any  
19 confidential documents, materials, or information subject to  
20 subsection (a).





1 (c) In order to assist in the performance of the  
2 commissioner's regulatory duties, the commissioner may:

3 (1) Upon request, share documents, materials, or other  
4 information related to the corporate governance annual  
5 disclosure, including the confidential and privileged  
6 documents, materials, or information subject to  
7 subsection (a), including proprietary and trade secret  
8 documents and materials with other state, federal, and  
9 international financial regulatory agencies, including  
10 members of any supervisory college as described in  
11 section 431:11-107.5, the National Association of  
12 Insurance Commissioners, and third-party consultants  
13 pursuant to section 431: -G; provided that the  
14 recipient agrees in writing to maintain the  
15 confidentiality and privileged status of the  
16 documents, material, or other information and has  
17 verified in writing the legal authority to maintain  
18 confidentiality; and

19 (2) Receive documents, materials, or other information  
20 related to the corporate governance annual disclosure,  
21 including otherwise confidential and privileged



1 documents, materials, or information, including  
2 proprietary and trade-secret information or documents,  
3 from regulatory officials of other state, federal, and  
4 international financial regulatory agencies, including  
5 members of any supervisory college as described in  
6 section 431:11-107.5, and from the National  
7 Association of Insurance Commissioners, and shall  
8 maintain as confidential or privileged any documents,  
9 materials, or information received with notice or the  
10 understanding that it is confidential or privileged  
11 under the laws of the jurisdiction that is the source  
12 of the document, material, or information.

13 (d) The sharing of information and documents by the  
14 commissioner pursuant to this article shall not constitute a  
15 delegation of regulatory authority or rulemaking, and the  
16 commissioner shall be solely responsible for the administration,  
17 execution, and enforcement of this article.

18 (e) No waiver of any applicable privilege or claim of  
19 confidentiality in the documents, proprietary and trade-secret  
20 materials, or other information related to the corporate  
21 governance annual disclosure shall occur as a result of



1 disclosure of any information related to the corporate  
2 governance annual disclosure or documents to the commissioner  
3 under this section or as a result of sharing as authorized in  
4 this article.

5       **§431: -G National Association of Insurance Commissioners**  
6 **and third-party consultants.** (a) The commissioner may retain,  
7 at the insurer's expense, third-party consultants, including  
8 attorneys, actuaries, accountants, and other experts not  
9 otherwise a part of the commissioner's staff as may be  
10 reasonably necessary to assist the commissioner in reviewing the  
11 corporate governance annual disclosure and related information  
12 or the insurer's compliance with this article.

13       (b) Any persons retained under subsection (a) shall be  
14 under the direction and control of the commissioner and shall  
15 act in a purely advisory capacity.

16       (c) The National Association of Insurance Commissioners  
17 and third-party consultants shall be subject to the same  
18 confidentiality standards and requirements as the commissioner.

19       (d) As part of the retention process, a third-party  
20 consultant shall verify to the commissioner, with notice to the  
21 insurer, that it is free from any conflict of interest and that



1 it has internal procedures in place to monitor compliance with a  
2 conflict and to comply with the confidentiality standards and  
3 requirements of this article.

4 (e) A written agreement with the National Association of  
5 Insurance Commissioners or a third-party consultant governing  
6 sharing and use of information provided pursuant to this article  
7 shall contain the following provisions and expressly require the  
8 written consent of the insurer prior to making public  
9 information provided under this article:

10 (1) Specific procedures and protocols for maintaining the  
11 confidentiality and security of the corporate  
12 governance annual disclosure and related information  
13 shared with the National Association of Insurance  
14 Commissioners or a third-party consultant pursuant to  
15 this article;

16 (2) Procedures and protocols for sharing by the National  
17 Association of Insurance Commissioners only with other  
18 state regulators from states in which the insurance  
19 group has domiciled insurers. The agreement shall  
20 provide that the recipient agrees in writing to  
21 maintain the confidentiality and privileged status of



1 the corporate governance annual disclosure and related  
2 documents, materials, or other information and has  
3 verified in writing the legal authority to maintain  
4 confidentiality;

5 (3) A provision specifying that ownership of the corporate  
6 governance annual disclosure and related information  
7 shared with the National Association of Insurance  
8 Commissioners or a third-party consultant remains with  
9 the insurance division and that the National  
10 Association of Insurance Commissioners' or third-party  
11 consultant's use of the information is subject to the  
12 direction of the commissioner;

13 (4) A provision that prohibits the National Association of  
14 Insurance Commissioners or a third-party consultant  
15 from storing the information shared pursuant to this  
16 article in a permanent database after the underlying  
17 analysis is completed;

18 (5) A provision requiring the National Association of  
19 Insurance Commissioners or third-party consultant to  
20 provide prompt notice to the commissioner and the  
21 insurer or insurance group regarding any subpoena,



1 request for disclosure, or request for production of  
2 the insurer's corporate governance annual disclosure  
3 or related information; and

4 (6) A requirement that the National Association of  
5 Insurance Commissioners or a third-party consultant  
6 consent to intervention by an insurer in any judicial  
7 or administrative action in which the National  
8 Association of Insurance Commissioners or a third-  
9 party consultant may be required to disclose  
10 confidential information about the insurer shared with  
11 the National Association of Insurance Commissioners or  
12 a third-party consultant pursuant to this article.

13 **§431: -H Sanctions.** Any insurer failing, without just  
14 cause, to timely file the corporate governance annual disclosure  
15 as required in this article shall be required, after notice and  
16 an opportunity for hearing, to pay a penalty of no less than  
17 \$100 and no more than \$500 for each day's delay, to be recovered  
18 by the commissioner and paid into the compliance resolution  
19 fund. The maximum penalty under this section shall be \$50,000.  
20 The commissioner may reduce the penalty if the insurer



1 demonstrates to the commissioner that the imposition of the  
2 penalty would constitute a financial hardship to the insurer.

3       **§431: -I Severability.** If any provision of this article  
4 other than section 431: -F, or the application thereof to any  
5 person or circumstance, is held invalid, the determination of  
6 invalidity shall not affect those provisions or applications of  
7 this article that can be given effect without the invalid  
8 provision or application, and to that end, the provisions of  
9 this article, with the exception of section 431: -F, are  
10 severable."

11       SECTION 2. Chapter 431, Hawaii Revised Statutes, is  
12 amended by adding a new section to part II of article 2 to be  
13 appropriately designated and to read as follows:

14       "§431:2-    Trade name. (a) Prior to the use or change of  
15 a trade name to sell, solicit, or negotiate insurance in this  
16 State, the licensee shall register the trade name with the  
17 department of commerce and consumer affairs pursuant to part II  
18 of chapter 482.

19       (b) Upon registration of the trade name with the  
20 department of commerce and consumer affairs, the licensee may  
21 apply, on a form approved by the commissioner, to add or remove



1 a trade name on a license. The applicant shall provide proof of  
2 registration of a trade name to the commissioner.

3 (c) If the commissioner finds the application for use or  
4 change of a trade name is substantially identical to another  
5 trade name registered with the department of commerce and  
6 consumer affairs, or substantially identical to a legal name or  
7 trade name of a revoked license, the commissioner shall deny use  
8 of the trade name on a license issued pursuant to chapter 431.

9 (d) A licensee shall inform the commissioner, by any means  
10 acceptable to the commissioner, of any change of status of a  
11 trade name registered with the department of commerce and  
12 consumer affairs within thirty days of the change."

13 SECTION 3. Chapter 431, Hawaii Revised Statutes, is  
14 amended by adding two new sections to part I of article 10A to  
15 be appropriately designated and to read as follows:

16 "§431:10A-A Required disclaimer. Any limited benefit  
17 policy, certificate, application, or sales brochure that  
18 provides coverage for accident and sickness, excluding specified  
19 disease, long-term care, disability income, accident-only,  
20 medicare supplement, dental, or vision shall disclose in a





1 conspicuous manner and in not less than fourteen-point boldface  
2 type the following, or substantially similar, statement:

3 "THIS IS NOT QUALIFYING HEALTH COVERAGE ("MINIMUM ESSENTIAL  
4 COVERAGE") THAT SATISFIES THE HEALTH COVERAGE REQUIREMENT  
5 OF THE AFFORDABLE CARE ACT."

6 §431:10A-B Reimbursement to providers. (a) Coverage for  
7 services required by this part shall include reimbursement to  
8 health care providers who perform services required by this  
9 part, or to the insured member, as appropriate.

10 (b) Whenever an individual or group policy, contract,  
11 plan, or agreement provides for reimbursement for any service, a  
12 health care provider who performs a service shall be eligible  
13 for reimbursement for the performed service to the extent the  
14 health care provider is eligible for such reimbursement under  
15 the policy, contract, plan, or agreement, and is acting within  
16 the scope of the provider's license or certification under state  
17 law.

18 (c) For purposes of this section, "health care provider"  
19 means a provider of services, as defined in title 42 United  
20 States Code section 1395x(u); a provider of medical and other  
21 health services, as defined in title 42 United States Code



1 section 1395x(s); and a practitioner licensed by the State and  
2 working within the practitioner's scope of practice."

3 SECTION 4. Chapter 431, Hawaii Revised Statutes, is  
4 amended by adding a new section to part VI of article 10A to be  
5 appropriately designated and to read as follows:

6 "§431:10A-C Limited benefit health insurance. (a) Except  
7 as provided in subsection (b) or elsewhere in this article, when  
8 used in this article, the terms "accident insurance", "health  
9 insurance", or "sickness insurance" shall not include an  
10 accident-only; specified disease; hospital indemnity; long-term  
11 care; disability; dental; vision; medicare supplement; short-  
12 term, limited-duration health insurance; or other limited  
13 benefit health insurance contract that pays benefits directly to  
14 the insured or the insured's assigns and in which the amount of  
15 the benefit paid is not based upon the actual costs incurred by  
16 the insured.

17 (b) When used in sections 431:10A-104, 431:10A-105,  
18 431:10A-106, 431:10A-107, 431:10A-108, 431:10A-109, 431:10A-110,  
19 431:10A-111, 431:10A-112, 431:10A-113, 431:10A-114, 431:10A-117,  
20 431:10A-118, 431:10A-201, 431:10A-202, 431:10A-203, 431:10A-204,  
21 431:10A-205, 431:10A-208, 431:10A-601, 431:10A-602, 431:10A-603,



1 and 431:10A-604, except as otherwise provided, the terms  
2 "accident insurance", "accident and health or sickness  
3 insurance", "health insurance", or "sickness insurance" shall  
4 include an accident-only; specified disease; hospital indemnity;  
5 long-term care; disability; dental; vision; medicare supplement;  
6 short-term, limited-duration health insurance; or other limited  
7 benefit health insurance contract regardless of the manner in  
8 which benefits are paid; provided that if any of the  
9 requirements in the foregoing sections as applied to long-term  
10 care insurance conflict with article 10H, the provisions of  
11 article 10H shall govern and control."

12 SECTION 5. Chapter 431, Hawaii Revised Statutes, is  
13 amended by adding a new section to article 11 to be  
14 appropriately designated and to read as follows:

15 "§431:11- Group-wide supervision of internationally  
16 active insurance groups. (a) The commissioner is authorized to  
17 act as the group-wide supervisor for any internationally active  
18 insurance group in accordance with this section; provided that  
19 the commissioner may otherwise acknowledge another regulatory  
20 official as the group-wide supervisor where the internationally  
21 active insurance group:



1        (1) Does not have substantial insurance operations in the  
2        United States;

3        (2) Has substantial insurance operations in the United  
4        States, but not in this State; or

5        (3) Has substantial insurance operations in the United  
6        States and this State, but the commissioner has  
7        determined pursuant to the factors set forth in  
8        subsections (b) and (f) that the other regulatory  
9        official is the appropriate group-wide supervisor.

10      An insurance holding company system that does not otherwise  
11      qualify as an internationally active insurance group may request  
12      that the commissioner make a determination or acknowledgment as  
13      to a group-wide supervisor pursuant to this section.

14      (b) In cooperation with other state, federal, and  
15      international regulatory agencies, the commissioner shall  
16      identify a single group-wide supervisor for an internationally  
17      active insurance group. The commissioner may determine that the  
18      commissioner is the appropriate group-wide supervisor for an  
19      internationally active insurance group that conducts substantial  
20      insurance operations concentrated in this State. However, the  
21      commissioner may acknowledge that a regulatory official from



1 another jurisdiction is the appropriate group-wide supervisor  
2 for the internationally active insurance group. The  
3 commissioner shall consider the following factors when making a  
4 determination or acknowledgment under this subsection:

5 (1) The place of domicile of the insurers within the  
6 internationally active insurance group that hold the  
7 largest share of the group's written premiums, assets,  
8 or liabilities;

9 (2) The place of domicile of the top-tiered insurer or  
10 insurers in the insurance holding company system of  
11 the internationally active insurance group;

12 (3) The location of the executive offices or largest  
13 operational offices of the internationally active  
14 insurance group;

15 (4) Whether another regulatory official is acting or is  
16 seeking to act as the group-wide supervisor under a  
17 regulatory system that the commissioner determines to  
18 be:

19 (A) Substantially similar to the system of regulation  
20 provided under the laws of this State; or



1           (B) Otherwise sufficient in terms of providing for  
2           group-wide supervision, enterprise risk analysis,  
3           and cooperation with other regulatory officials;  
4           and

5       (5) Whether another regulatory official acting or seeking  
6       to act as the group-wide supervisor provides the  
7       commissioner with reasonably reciprocal recognition  
8       and cooperation.

9       However, a commissioner identified under this section as the  
10      group-wide supervisor may determine that it is appropriate to  
11      acknowledge another supervisor to serve as the group-wide  
12      supervisor. The acknowledgment of the group-wide supervisor  
13      shall be made after consideration of the factors listed in  
14      paragraphs (1) through (5), and shall be made in cooperation  
15      with and subject to the acknowledgment of other regulatory  
16      officials involved with supervision of members of the  
17      internationally active insurance group and in consultation with  
18      the internationally active insurance group.

19       (c) Notwithstanding any other provision of law to the  
20      contrary, when another regulatory official is acting as the  
21      group-wide supervisor of an internationally active insurance



1 group, the commissioner shall acknowledge that regulatory  
2 official as the group-wide supervisor; provided that in the  
3 event of a material change in the internationally active  
4 insurance group that results in:

5 (1) The internationally active insurance group's insurers  
6 domiciled in this State holding the largest share of  
7 the group's premiums, assets, or liabilities; or

8 (2) This State being the place of domicile of the top-  
9 tiered insurer or insurers in the insurance holding  
10 company system of the internationally active insurance  
11 group,

12 the commissioner shall make a determination or acknowledgment as  
13 to the appropriate group-wide supervisor for the internationally  
14 active insurance group pursuant to subsection (b).

15 (d) Pursuant to section 431:11-107, the commissioner is  
16 authorized to collect from any insurer registered pursuant to  
17 section 431:11-105 all information necessary to determine  
18 whether the commissioner may act as the group-wide supervisor of  
19 an internationally active insurance group or if the commissioner  
20 may acknowledge another regulatory official to act as the group-  
21 wide supervisor. Prior to issuing a determination that an



internationally active insurance group is subject to group-wide supervision by the commissioner, the commissioner shall notify the insurer registered pursuant to section 431:11-105 and the ultimate controlling person within the internationally active insurance group. The internationally active insurance group shall have at least thirty days to provide the commissioner with additional information pertinent to the pending determination. The commissioner shall publish on the division's website the identity of internationally active insurance groups that the commissioner has determined are subject to group-wide supervision by the commissioner.

(e) If the commissioner is the group-wide supervisor for an internationally active insurance group, the commissioner may engage in any of the following group-wide supervision activities:

(1) Assess the enterprise risks within the internationally active insurance group to ensure that:

(A) The material financial condition and liquidity risks to the members of the internationally active insurance group that are engaged in the





1 business of insurance are identified by  
2 management; and

3 (B) Reasonable and effective mitigation measures are  
4 in place;

5 (2) Request, from any member of an internationally active  
6 insurance group subject to the commissioner's  
7 supervision, information necessary and appropriate to  
8 assess enterprise risk, including, but not limited to,  
9 information about the members of the internationally  
10 active insurance group regarding:

11 (A) Governance, risk assessment, and management;

12 (B) Capital adequacy; and

13 (C) Material intercompany transactions;

14 (3) Coordinate and, through the authority of the  
15 regulatory officials of the jurisdictions where  
16 members of the internationally active insurance group  
17 are domiciled, compel development and implementation  
18 of reasonable measures designed to ensure that the  
19 internationally active insurance group is able to  
20 timely recognize and mitigate enterprise risks to



1 members of the internationally active insurance group  
2 that are engaged in the business of insurance;

3 (4) Communicate with other state, federal, and  
4 international regulatory agencies for members within  
5 the internationally active insurance group and share  
6 relevant information subject to the confidentiality  
7 provisions of section 431:11-108, through supervisory  
8 colleges as set forth in section 431:11-107.5 or  
9 otherwise;

10 (5) Enter into agreements with or obtain documentation  
11 from any insurer registered under section 431:11-105,  
12 any member of the internationally active insurance  
13 group, and any other state, federal, and international  
14 regulatory agencies for members of the internationally  
15 active insurance group, providing the basis for or  
16 otherwise clarifying the commissioner's role as group-  
17 wide supervisor, including provisions for resolving  
18 disputes with other regulatory officials. These  
19 agreements or documentation shall not serve as  
20 evidence in any proceeding that any insurer or person  
21 within an insurance holding company system not



1 domiciled or incorporated in this State is doing  
2 business in this State or is otherwise subject to  
3 jurisdiction in this State; and

4 (6) Other group-wide supervision activities, consistent  
5 with the authorities and purposes specified in this  
6 subsection, as considered necessary by the  
7 commissioner.

8 (f) If the commissioner acknowledges that another  
9 regulatory official from a jurisdiction that is not accredited  
10 by the National Association of Insurance Commissioners is the  
11 group-wide supervisor, the commissioner may reasonably  
12 cooperate, through supervisory colleges or otherwise, with  
13 group-wide supervision undertaken by the group-wide supervisor;  
14 provided that:

15 (1) The commissioner's cooperation is in compliance with  
16 the laws of this State; and

17 (2) The regulatory official acknowledged as the group-wide  
18 supervisor also recognizes and cooperates with the  
19 commissioner's activities as a group-wide supervisor  
20 for other internationally active insurance groups  
21 where applicable. Where such recognition and



1           cooperation is not reasonably reciprocal, the  
2           commissioner may refuse recognition and cooperation.

3           (g) The commissioner may enter into agreements with or  
4           obtain documentation from any insurer registered under section  
5           431:11-105, any affiliate of the insurer, and other state,  
6           federal, and international regulatory agencies for members of  
7           the internationally active insurance group, that provide the  
8           basis for or otherwise clarify a regulatory official's role as  
9           group-wide supervisor.

10          (h) The commissioner may adopt rules necessary for the  
11          administration of this section.

12          (i) A registered insurer subject to this section shall be  
13          liable for and shall pay the reasonable expenses of the  
14          commissioner's participation in the administration of this  
15          section, including the engagement of attorneys, actuaries, and  
16          any other professionals, and all reasonable travel expenses."

17          SECTION 6. Chapter 432, Hawaii Revised Statutes, is  
18          amended by adding a new section to part VI of article 1 to be  
19          appropriately designated and to read as follows:

20          "§432:1- Reimbursement to providers. (a) Coverage for  
21          services required by this part shall include reimbursement to



1 health care providers who perform services required by this  
2 article, or to the insured member, as appropriate.

3 (b) Notwithstanding any law to the contrary, whenever an  
4 individual or group policy, contract, plan, or agreement that  
5 provides health care coverage under this article provides for  
6 reimbursement for any service, a health care provider who  
7 performs a service shall be eligible for reimbursement for the  
8 performed service.

9 (c) For purposes of this section, "health care provider"  
10 has the same meaning as in section 431:10A -B(c)."

11 SECTION 7. Section 431:3-202, Hawaii Revised Statutes, is  
12 amended to read as follows:

13 "**§431:3-202 Insurer's name.** (a) Every insurer shall  
14 conduct its business in its own legal name.

15 (b) No insurer shall assume or use a name deceptively  
16 similar to that of any other authorized insurer [~~nor which~~] or  
17 a name that tends to deceive or mislead as to the type of  
18 organization of the insurer.

19 (c) An insurer shall apply to the department of commerce  
20 and consumer affairs and the commissioner for approval of the  
21 use or change of a trade name pursuant to section 431:2- .



1        [~~(e)~~] (d) When a foreign or an alien insurer authorized to  
2 do business in this State wants to change the name under which  
3 its certificate of authority is issued, the insurer shall file a  
4 request for name change with the commissioner at least thirty  
5 days prior to the effective date of the name change. If within  
6 the thirty-day period the commissioner finds the name change  
7 request does not meet the requirements of this chapter or of the  
8 corporation laws of this State, the commissioner shall send to  
9 the insurer written notice of disapproval of the request  
10 specifying in what respect the proposed name change fails to  
11 meet the requirements of this chapter or the corporation laws of  
12 this State and stating that the name change shall not become  
13 effective."

14        SECTION 8. Section 431:5-307, Hawaii Revised Statutes, is  
15 amended by amending subsection (o) to read as follows:

16        "(o) (1) For policies issued on or after the operative date of  
17                the valuation manual, the standard prescribed in the  
18                valuation manual is the minimum standard of valuation  
19                required under subsection (b) (2), except as provided  
20                under paragraph (5) or (7) of this subsection;



1       (2) The operative date of the valuation manual is  
2       January 1 of the first calendar year following the  
3       first July 1 as of which all of the following have  
4       occurred:

5       (A) The valuation manual has been adopted by the  
6       National Association of Insurance Commissioners  
7       by an affirmative vote of at least forty-two  
8       members, or three-fourths of the members voting,  
9       whichever is greater;

10      (B) The Standard Valuation Law, as amended by the  
11      National Association of Insurance Commissioners  
12      in 2009, or legislation including substantially  
13      similar terms and provisions, has been enacted by  
14      states representing greater than seventy-five per  
15      cent of the direct premiums written as reported  
16      in the following annual statements submitted for  
17      2008: life, accident and health annual  
18      statements; health annual statements; or  
19      fraternal annual statements; and

20      (C) The Standard Valuation Law, as amended by the  
21      National Association of Insurance Commissioners



1 in 2009, or legislation including substantially  
2 similar terms and provisions, has been enacted by  
3 at least forty-two of the following fifty-five  
4 jurisdictions: the fifty states of the United  
5 States, American Samoa, the American Virgin  
6 Islands, the District of Columbia, Guam, and  
7 Puerto Rico;

8 (3) Unless a change in the valuation manual specifies a  
9 later effective date, changes to the valuation manual  
10 shall be effective on January 1 following the date  
11 when ~~[all of the following have occurred:~~

12 ~~(A) The~~ the change to the valuation manual has been  
13 adopted by the National Association of Insurance  
14 Commissioners by an affirmative vote representing:

15 ~~[(i)]~~ (A) At least three-fourths of the members  
16 of the National Association of Insurance  
17 Commissioners voting, but not less than a  
18 majority of the total membership; and

19 ~~[(ii)]~~ (B) Members of the National Association  
20 of Insurance Commissioners representing  
21 jurisdictions totaling greater than seventy-five





1 per cent of the direct premiums written as  
2 reported in the following annual statements most  
3 recently available prior to the vote in [elause  
4 ~~(i)-]~~ subparagraph (A): life, accident and  
5 health annual statements; health annual  
6 statements; or fraternal annual statements; [and

7 ~~(B) The valuation manual becomes effective pursuant~~  
8 ~~to rules adopted by the commissioner;]~~

9 (4) The valuation manual shall specify all of the  
10 following:

11 (A) Minimum valuation standards for and definitions  
12 of the policies or contracts subject to  
13 subsection (b) (2). These minimum valuation  
14 standards shall be:

15 (i) The commissioner's reserve valuation method  
16 for life insurance contracts, other than  
17 annuity contracts, subject to subsection  
18 (b) (2);

19 (ii) The commissioner's annuity reserve valuation  
20 method for annuity contracts subject to  
21 subsection (b) (2); and



(iii) Minimum reserves for all other policies or contracts subject to subsection (b) (2);

(B) Which policies or contracts or types of policies or contracts that are subject to the requirements of a principle-based valuation in subsection (p) (1) and the minimum valuation standards consistent with those requirements;

(C) For policies and contracts subject to a principle-based valuation under subsection (p):

(i) Requirements for the format of reports to the commissioner under subsection (p) (2) (C) that shall include information necessary to determine if the valuation is appropriate and in compliance with this section;

(ii) Assumptions shall be prescribed for risks over which the company does not have significant control or influence; and

(iii) Procedures for corporate governance and oversight of the actuarial function, and a process for appropriate waiver or modification of such procedures;



1 (D) For policies not subject to a principle-based  
2 valuation under subsection (p), the minimum  
3 valuation standard shall either:

4 (i) Be consistent with the minimum standard of  
5 valuation prior to the operative date of the  
6 valuation manual; or

7 (ii) Develop reserves that quantify the benefits  
8 and guarantees, and the funding, associated  
9 with the contracts and their risks at a  
10 level of conservatism that reflects  
11 conditions that include unfavorable events  
12 that have a reasonable probability of  
13 occurring;

14 (E) Other requirements including, but not limited to,  
15 those relating to reserve methods, models for  
16 measuring risk, generation of economic scenarios,  
17 assumptions, margins, use of company experience,  
18 risk measurement, disclosure, certifications,  
19 reports, actuarial opinions and memorandums,  
20 transition rules, and internal controls; and



1 (F) The data and form of the data required under  
2 subsection (q), with whom the data shall be  
3 submitted, and may specify other requirements,  
4 including data analyses and reporting of  
5 analyses;

6 (5) [~~In the absence of~~] Absent a specific valuation  
7 requirement, or if a specific valuation requirement in  
8 the valuation manual is not, in the opinion of the  
9 commissioner, in compliance with this section, then  
10 the company shall, with respect to these requirements,  
11 comply with minimum valuation standards prescribed by  
12 the commissioner by rule;

13 (6) The commissioner may engage a qualified actuary, at  
14 the expense of the company, to perform an actuarial  
15 examination of the company and opine on the  
16 appropriateness of any reserve assumption or method  
17 used by the company, or to review and opine on a  
18 company's compliance with any requirement set forth in  
19 this section. The commissioner may rely upon the  
20 opinion[7] regarding provisions contained within this  
21 section[7] of a qualified actuary engaged by the



1 commissioner of another state, district, or territory  
2 of the United States. As used in this paragraph,  
3 "engage" includes employment and contracting; and

4 (7) The commissioner may require a company to change any  
5 assumption or method that, in the opinion of the  
6 commissioner, is necessary to comply with the  
7 requirements of the valuation manual or this section,  
8 and the company shall adjust the reserves as required  
9 by the commissioner. The commissioner may take other  
10 disciplinary action as permitted pursuant to this  
11 chapter."

12 SECTION 9. Section 431:6-101, Hawaii Revised Statutes, is  
13 amended by amending the definition of "cash equivalents" to read  
14 as follows:

15 "Cash equivalents" means highly-rated and highly-liquid  
16 investments or securities with a remaining term of ninety days  
17 or less and rated in the highest short-term category by a  
18 nationally recognized statistical rating organization recognized  
19 by the SVO. Cash equivalents include government money market  
20 mutual funds [~~and class one money market mutual funds~~] defined



1 by the Purposes and Procedures Manual of the SVO, or its  
2 successor publication."

3 SECTION 10. Chapter 431, article 6, Hawaii Revised  
4 Statutes, is amended by amending the title of part VI to read as  
5 follows:

6 "[+]PART VI. INVESTMENT POOLS[+]"

7 SECTION 11. Section 431:6-601, Hawaii Revised Statutes, is  
8 amended by amending subsections (a) and (b) to read as follows:

9 "(a) For purposes of this section:

10 "Business entity" means a corporation, limited liability  
11 company, association, partnership, joint stock company, joint  
12 venture, mutual fund trust, or other similar form of business  
13 organization, whether organized for-profit or not-for-profit.

14 ~~["Class one money market mutual funds" means a mutual fund~~  
15 ~~that at all times qualifies for investment using the bond class~~  
16 ~~one reserve factor under the Purposes and Procedures of the SVO~~  
17 ~~or any successor publication.]~~

18 "Government money market mutual fund" means a money market  
19 mutual fund that at all times:

20 (1) Invests only in obligations issued, guaranteed, or  
21 insured by the government of the United States or



1 collateralized repurchase agreements composed of these  
2 obligations; and

3 (2) Qualifies for investment without a reserve under the  
4 Purposes and Procedures of the SVO or any successor  
5 publication.

6 "Money market mutual fund" means a mutual fund that meets  
7 the conditions of 17 Code of Federal Regulations part 270.2a-7,  
8 under the Investment Company Act of 1940 (15 United States Code  
9 section 80a-1 et seq.), as amended, or renumbered.

10 "Obligation" means a bond, note, debenture, trust  
11 certificate, including equipment certificate, production  
12 payment, negotiable bank certificate of deposit, bankers'  
13 acceptance, credit tenant loan, loan secured by financing net  
14 leases and other evidence of indebtedness for the payment of  
15 money (or participation, certificates, or other evidence of an  
16 interest in any of the foregoing), whether constituting a  
17 general obligation of the issuer or payable only out of certain  
18 revenues or certain funds pledged or otherwise dedicated for  
19 payment.

20 "Qualified bank" means a national bank, state bank, or  
21 trust company that at all times is no less than adequately



1 capitalized as determined by the standards adopted by the United  
2 States banking regulators and that is either regulated by state  
3 banking laws or is a member of the Federal Reserve System.

4 "Repurchase transaction" means a transaction in which an  
5 insurer purchases securities from a business entity that is  
6 obligated to repurchase the purchased securities or equivalent  
7 securities from the insurer at a specified price, either within  
8 a specified period of time or upon demand.

9 "Reverse repurchase transaction" means a transaction in  
10 which an insurer sells securities to a business entity and is  
11 obligated to repurchase the sold securities or equivalent  
12 securities from the business entity at a specified price, either  
13 within a specified period of time or upon demand.

14 "Securities lending transaction" means a transaction in  
15 which securities are loaned by an insurer to a business entity  
16 that is obligated to return the loans, securities, or equivalent  
17 securities to the insurer, either within a specified period of  
18 time or upon demand.

19 (b) An insurer may acquire investments in investment pools  
20 that:

21 (1) Invest only in:





1 (A) Obligations that are rated 1 or 2 by the SVO or  
2 have an equivalent of an SVO 1 or 2 rating (or,  
3 in the absence of a 1 or 2 rating or equivalent  
4 rating, the issuer has outstanding obligations  
5 with an SVO 1 or 2 or equivalent rating) by a  
6 nationally-recognized statistical rating  
7 organization recognized by the SVO and have:

8 (i) A remaining maturity of three hundred  
9 ninety-seven days or less or a put that  
10 entitles the holder to receive the principal  
11 amount of the obligation which put may be  
12 exercised through maturity at specified  
13 intervals not exceeding three hundred  
14 ninety-seven days; or

15 (ii) A remaining maturity of three years or less  
16 and a floating interest rate that resets no  
17 less frequently than quarterly on the basis  
18 of a current short-term index (federal  
19 funds, prime rate, treasury bills, London  
20 InterBank Offered Rate or commercial paper)  
21 and is subject to no maximum limit, if the



obligations do not have an interest rate  
that varies inversely to market interest  
rate changes;

(B) Government money market mutual funds [~~or class~~  
~~one money market mutual funds~~]; or

(C) Securities lending, repurchase, and reverse  
repurchase transactions that meet all the  
requirements of section 431:6-318; or

(2) Invest only in investments which an insurer may  
acquire under this article, if the insurer's  
proportionate interest in the amount invested in these  
investments does not exceed the applicable limits of  
this article."

SECTION 12. Section 431:9-203, Hawaii Revised Statutes, is  
amended to read as follows:

"§431:9-203 General qualifications for license. (a) For  
the protection of the public, the commissioner shall not issue  
or extend any license for an adjuster or independent bill  
reviewer:

(1) Except as provided by this article; or

(2) To any individual less than eighteen years of age.



1 (b) An applicant for a license under this article shall  
2 notify the commissioner of the applicant's legal name [~~and trade~~  
3 ~~name, if applicable. An applicant doing business under any name~~  
4 ~~other than [the] applicant's legal name shall notify the~~  
5 ~~commissioner prior to using the assumed name]~~.

6 (c) An applicant shall apply to the department of commerce  
7 and consumer affairs and the commissioner for approval of the  
8 use of a trade name pursuant to section 431:2- .

9 [~~e~~] (d) A licensee shall:

10 (1) Inform the commissioner by any means acceptable to the  
11 commissioner of any change of status within thirty  
12 days of the change; [~~and~~]

13 (2) Report any change of status to the business  
14 registration division if the licensee is a business  
15 entity registered with the department of commerce and  
16 consumer affairs pursuant to title 23 or title 23A, or  
17 if the licensee has registered a trade name pursuant  
18 to part II of chapter 482[~~-~~]; and

19 (3) Apply to the department of commerce and consumer  
20 affairs and the commissioner for approval to change



1 the status of a trade name pursuant to section

2 431:2- .

3 Failure to timely inform the commissioner or business  
4 registration division of a change of status shall result in a  
5 penalty pursuant to section 431:2-203.

6 [~~(d)~~] (e) As used in this section, "change of status"  
7 includes but shall not be limited to change of legal name,  
8 assumed name, trade name, business address, home address,  
9 mailing address, business phone number, business fax number,  
10 business electronic mail address, business website address, or  
11 home phone number. A licensee shall apply to the department of  
12 commerce and consumer affairs and the commissioner for approval  
13 to change the status of a trade name pursuant to section  
14 431:2- ."

15 SECTION 13. Section 431:9A-102, Hawaii Revised Statutes,  
16 is amended by adding two new definitions to be appropriately  
17 inserted and to read as follows:

18 "Assumed name" means any fictitious, alias, maiden, or  
19 trade name used in the past.

20 "Trade name" means any name used by an insurance producer  
21 to solicit insurance business in this State if the applicant's



1 or licensee's true legal name of an individual or a business  
2 entity cannot be used."

3 SECTION 14. Section 431:9A-110, Hawaii Revised Statutes,  
4 is amended to read as follows:

5 "§431:9A-110 Legal, trade, and assumed names. (a) Every  
6 insurance producer doing business in this State shall notify the  
7 commissioner in writing of the insurance producer's legal name  
8 ~~[and trade name, if applicable].~~

9 (b) ~~[An insurance producer doing business under any name~~  
10 ~~other than the producer's legal name shall notify the~~  
11 ~~commissioner in writing prior to using the assumed name.]~~ An  
12 insurance producer shall apply to the department of commerce and  
13 consumer affairs and the commissioner for approval of the use or  
14 change of a trade name pursuant to section 431:2- .

15 (c) An insurance producer doing business under any assumed  
16 name in the past, other than the producer's legal name, shall  
17 notify the commissioner in a form prescribed by the  
18 commissioner."

19 SECTION 15. Section 431:9N-102, Hawaii Revised Statutes,  
20 is amended to read as follows:



1       "§431:9N-102 License denial, nonrenewal, suspension, or  
2    revocation[-]; trade name bar. In addition to the authority  
3    granted by section 431:9A-112, the commissioner may deny, place  
4    on probation, suspend, revoke, or refuse to issue or renew a  
5    bail agent's license, may permanently retire or bar subsequent  
6    use of a trade name, and may levy a civil fine or penalty in  
7    accordance with articles 2 and 9A, or take any combination of  
8    these actions, for any of the following causes:

- 9       (1) Failure to satisfy, pay, or otherwise discharge a bail  
10       forfeiture judgment after the bail agent's name is on  
11       the board for more than forty-five consecutive days  
12       for the same forfeiture;
- 13       (2) Failure to satisfy, pay, or otherwise discharge a  
14       final, nonappealable bail forfeiture judgment within  
15       sixty days following notice of entry of judgment;
- 16       (3) Failure to report, to preserve without use and retain  
17       separately, or to return collateral received as  
18       security on any bond to the principal or depositor of  
19       the collateral;



(4) Failure to pay a final, nonappealable judgment award for failure to return or repay collateral received to secure a bond;

(5) Continuing execution of bail bonds in any court in this State while on the board, where the bail forfeiture judgment that resulted in placement on the board has not been paid, stayed, vacated, exonerated, or otherwise discharged; or

(6) Payment, directly or indirectly, of any commission, service fee, brokerage, or other valuable consideration to any person selling, soliciting, or negotiating bail within this State unless, at the time the services were performed, the person was duly licensed for the performance of the services."

SECTION 16. Section 431:10-104, Hawaii Revised Statutes, is amended to read as follows:

"§431:10-104 **General readability requirements.** In addition to any other requirements of law, no contract shall be delivered or issued for delivery in this State unless:

(1) The text is in plain language[~~,—achieving~~] and achieves a minimum score of forty on the Flesch



1 reading ease test or an equivalent score on any other  
2 comparable test prescribed by the commissioner under  
3 section 431:10-105(a);

4 (2) The contract is printed, except for specification  
5 pages, schedules, and tables, in not less than ten-  
6 point type [~~one point leaded~~];

7 (3) The style, arrangement, and general appearance of the  
8 contract give no undue prominence to any endorsements,  
9 riders, or other portions of the text; and

10 (4) A table of contents or an index of principal sections  
11 is provided with the contract when the text consists  
12 of more than three thousand words printed on three or  
13 less pages or when the text has more than three pages,  
14 regardless of the total number of printed words [~~and~~

15 ~~(5) For any short term health insurance policies that~~  
16 ~~impose preexisting conditions provisions, any policy,~~  
17 ~~application, or sales brochure shall disclose in a~~  
18 ~~conspicuous manner in not less than fourteen point~~  
19 ~~bold face type the following statement:~~

20 "THIS POLICY EXCLUDES COVERAGE FOR CONDITIONS FOR  
21 WHICH MEDICAL ADVICE, DIAGNOSIS, CARE, OR TREATMENT





1       ~~WAS RECOMMENDED OR RECEIVED DURING THE [insert~~  
2       ~~exclusion period] IMMEDIATELY PRECEDING THE EFFECTIVE~~  
3       ~~DATE OF COVERAGE] ."~~

4       SECTION 17. Section 431:10A-116, Hawaii Revised Statutes,  
5 is amended to read as follows:

6       "**§431:10A-116 Coverage for specific services.** Every  
7 person insured under a policy of accident and health or sickness  
8 insurance delivered or issued for delivery in this State shall  
9 be entitled to the reimbursements and coverages specified below:

10       (1) Notwithstanding any provision to the contrary,  
11       whenever a policy, contract, plan, or agreement  
12       provides for reimbursement for any visual or  
13       optometric service, which is within the lawful scope  
14       of practice of a duly licensed optometrist, the person  
15       entitled to benefits or the person performing the  
16       services shall be entitled to reimbursement whether  
17       the service is performed by a licensed physician or by  
18       a licensed optometrist. Visual or optometric services  
19       shall include eye or visual examination, or both, or a  
20       correction of any visual or muscular anomaly, and the  
21       supplying of ophthalmic materials, lenses, contact



1           lenses, spectacles, eyeglasses, and appurtenances  
2           thereto;

3           (2) Notwithstanding any provision to the contrary, for all  
4           policies, contracts, plans, or agreements issued on or  
5           after May 30, 1974, whenever provision is made for  
6           reimbursement or indemnity for any service related to  
7           surgical or emergency procedures, which is within the  
8           lawful scope of practice of any practitioner licensed  
9           to practice medicine in this State, reimbursement or  
10          indemnification under the policy, contract, plan, or  
11          agreement shall not be denied when the services are  
12          performed by a dentist acting within the lawful scope  
13          of the dentist's license;

14          (3) Notwithstanding any provision to the contrary,  
15          whenever the policy provides reimbursement or payment  
16          for any service, which is within the lawful scope of  
17          practice of a psychologist licensed in this State, the  
18          person entitled to benefits or performing the service  
19          shall be entitled to reimbursement or payment, whether  
20          the service is performed by a licensed physician or  
21          licensed psychologist;



1           (4) Notwithstanding any provision to the contrary, each  
2           policy, contract, plan, or agreement issued on or  
3           after February 1, 1991, except for policies that only  
4           provide coverage for specified diseases or other  
5           limited benefit coverage, but including policies  
6           issued by companies subject to chapter 431, article  
7           10A, part II and chapter 432, article 1 shall provide  
8           coverage for screening by low-dose mammography for  
9           occult breast cancer as follows:

10           (A) For women forty years of age and older, an annual  
11           mammogram; and

12           (B) For a woman of any age with a history of breast  
13           cancer or whose mother or sister has had a  
14           history of breast cancer, a mammogram upon the  
15           recommendation of the woman's physician.

16           The services provided in this paragraph are  
17           subject to any coinsurance provisions that may be in  
18           force in these policies, contracts, plans, or  
19           agreements.

20           For the purpose of this paragraph, the term "low-  
21           dose mammography" means the x-ray examination of the



1 breast using equipment dedicated specifically for  
2 mammography, including but not limited to the x-ray  
3 tube, filter, compression device, screens, films, and  
4 cassettes, with an average radiation exposure delivery  
5 of less than one rad mid-breast, with two views for  
6 each breast. An insurer may provide the services  
7 required by this paragraph through contracts with  
8 providers; provided that the contract is determined to  
9 be a cost-effective means of delivering the services  
10 without sacrifice of quality and meets the approval of  
11 the director of health; and

12 (5) (A) (i) Notwithstanding any provision to the  
13 contrary, whenever a policy, contract, plan,  
14 or agreement provides coverage for the  
15 children of the insured, that coverage shall  
16 also extend to the date of birth of any  
17 newborn child to be adopted by the insured;  
18 provided that the insured gives written  
19 notice to the insurer of the insured's  
20 intent to adopt the child prior to the  
21 child's date of birth or within thirty days



1 after the child's birth or within the time  
2 period required for enrollment of a natural  
3 born child under the policy, contract, plan,  
4 or agreement of the insured, whichever  
5 period is longer; provided further that if  
6 the adoption proceedings are not successful,  
7 the insured shall reimburse the insurer for  
8 any expenses paid for the child; and

9 (ii) Where notification has not been received by  
10 the insurer prior to the child's birth or  
11 within the specified period following the  
12 child's birth, insurance coverage shall be  
13 effective from the first day following the  
14 insurer's receipt of legal notification of  
15 the insured's ability to consent for  
16 treatment of the infant for whom coverage is  
17 sought; and

18 (B) When the insured is a member of a health  
19 maintenance organization [~~HMO~~], coverage of an  
20 adopted newborn is effective:



1 (i) From the date of birth of the adopted  
2 newborn when the newborn is treated from  
3 birth pursuant to a provider contract with  
4 the health maintenance organization, and  
5 written notice of enrollment in accord with  
6 the health maintenance organization's usual  
7 enrollment process is provided within thirty  
8 days of the date the insured notifies the  
9 health maintenance organization of the  
10 insured's intent to adopt the infant for  
11 whom coverage is sought; or

12 (ii) From the first day following receipt by the  
13 health maintenance organization of written  
14 notice of the insured's ability to consent  
15 for treatment of the infant for whom  
16 coverage is sought and enrollment of the  
17 adopted newborn in accord with the health  
18 maintenance organization's usual enrollment  
19 process if the newborn has been treated from  
20 birth by a provider not contracting or



1 affiliated with the health maintenance  
2 organization[, and

3 ~~(6) Notwithstanding any provision to the contrary, any~~  
4 ~~policy, contract, plan, or agreement issued or renewed~~  
5 ~~in this State shall provide reimbursement for services~~  
6 ~~provided by advanced practice registered nurses~~  
7 ~~licensed pursuant to chapter 457. Services rendered by~~  
8 ~~advanced practice registered nurses are subject to the~~  
9 ~~same policy limitations generally applicable to health~~  
10 ~~care providers within the policy, contract, plan, or~~  
11 ~~agreement]."~~

12 SECTION 18. Section 431:10A-116.6, Hawaii Revised  
13 Statutes, is amended to read as follows:

14 **"§431:10A-116.6 Contraceptive services. (a)**  
15 Notwithstanding any provision of law to the contrary, each  
16 employer group accident and health or sickness policy, contract,  
17 plan, or agreement issued or renewed in this State on or after  
18 January 1, 2000, shall cease to exclude contraceptive services  
19 or supplies for the subscriber or any dependent of the  
20 subscriber who is covered by the policy, subject to the



1 exclusion under section 431:10A-116.7 and the exclusion under  
2 section [~~431:10A-102.5.~~] 431:10A-C.

3 (b) Except as provided in subsection (c), all policies,  
4 contracts, plans, or agreements under subsection (a) [7] that  
5 provide contraceptive services or supplies[7] or prescription  
6 drug coverage[7] shall not exclude any prescription  
7 contraceptive supplies or impose any unusual copayment, charge,  
8 or waiting requirement for such supplies.

9 (c) Coverage for oral contraceptives shall include at  
10 least one brand from the monophasic, multiphasic, and the  
11 progestin-only categories. A member shall receive coverage for  
12 any other oral contraceptive only if:

13 (1) Use of brands covered has resulted in an adverse drug  
14 reaction; or

15 (2) The member has not used the brands covered and, based  
16 on the member's past medical history, the prescribing  
17 health care provider believes that use of the brands  
18 covered would result in an adverse reaction.

19 (d) Coverage required by this section shall include  
20 reimbursement to a prescribing health care provider or





1 dispensing entity for prescription contraceptive supplies  
2 intended to last for up to a twelve-month period for an insured.

3 ~~[(e) Coverage required by this section shall include~~  
4 ~~reimbursement to a prescribing and dispensing pharmacist who~~  
5 ~~prescribes and dispenses contraceptive supplies pursuant to~~  
6 ~~section 461-11.6.~~

7 ~~+(f)]~~ (e) For purposes of this section:

8 "Contraceptive services" means physician-delivered,  
9 physician-supervised, physician assistant-delivered, advanced  
10 practice registered nurse-delivered, nurse-delivered, or  
11 pharmacist-delivered medical services intended to promote the  
12 effective use of contraceptive supplies or devices to prevent  
13 unwanted pregnancy.

14 "Contraceptive supplies" means all United States Food and  
15 Drug Administration-approved contraceptive drugs or devices used  
16 to prevent unwanted pregnancy.

17 ~~[(g)]~~ (f) Nothing in this section shall be construed to  
18 extend the practice or privileges of any health care provider  
19 beyond that provided in the laws governing the provider's  
20 practice and privileges."



SECTION 19. Section 431:10A-118.3, Hawaii Revised Statutes, is amended by amending subsection (e) to read as follows:

"(e) As used in this section unless the context requires otherwise:

"Actual gender identity" means a person's internal sense of being male, female, a gender different from the gender assigned at birth, a transgender person, or neither male nor female.

"Gender transition" means the process of a person changing the person's outward appearance or sex characteristics to accord with the person's actual gender identity.

"Perceived gender identity" means an observer's impression of another person's actual gender identity or the observer's own impression that the person is male, female, a gender different from the gender [~~designed~~] assigned at birth, a transgender person, or neither male nor female.

"Transgender person" means a person who has gender identity disorder or gender dysphoria, has received health care services related to gender transition, adopts the appearance or behavior of the opposite sex, or otherwise identifies as a gender different from the gender assigned to that person at birth."



SECTION 20. Section 431:11-102, Hawaii Revised Statutes, is amended by adding two new definitions to be appropriately inserted and to read as follows:

"Group-wide supervisor" means the regulatory official authorized to engage in conducting and coordinating group-wide supervision activities who is determined or acknowledged by the commissioner under section 431:11- to have sufficient significant contacts with the internationally active insurance group.

"Internationally active insurance group" means an insurance holding company system that:

(1) Includes an insurer registered under section 431:11-105; and

(2) Meets the following criteria:

(A) Premiums written in at least three countries;

(B) The percentage of gross premiums written outside the United States is at least ten percent of the insurance holding company system's total gross written premiums; and

(C) Based on a three-year rolling average, the total assets of the insurance holding company system



1                   are at least \$50,000,000,000 or the total gross  
2                   written premiums of the insurance holding company  
3                   system are at least \$10,000,000,000."

4           SECTION 21. Section 431:11-108, Hawaii Revised Statutes,  
5 is amended by amending subsection (a) to read as follows:

6           "(a) Documents, materials, or other information in the  
7 possession or control of the insurance division that are  
8 obtained by or disclosed to the commissioner or any other person  
9 in the course of an examination or investigation made pursuant  
10 to section 431:11-107 and all information reported or provided  
11 to the insurance division pursuant to sections 431:11-104(b)(12)  
12 and (13), 431:11-105, [~~and~~] 431:11-106, and 431:11- , shall be  
13 confidential by law and privileged, shall not be disclosable  
14 under chapter 92F, shall not be subject to subpoena, and shall  
15 not be subject to discovery or admissible in evidence in any  
16 private civil action. The commissioner may use the documents,  
17 materials, or other information in the furtherance of any  
18 regulatory or legal action brought as part of the commissioner's  
19 official duties. The commissioner shall not otherwise make the  
20 documents, materials, or other information public without prior  
21 written consent of the insurer to which it pertains unless the



1 commissioner, after giving the insurer and its affiliates who  
2 would be affected thereby notice and opportunity to be heard,  
3 determines that the interest of the policyholders, shareholders,  
4 or the public will be served by the publication thereof, in  
5 which event the commissioner may publish all or any part in such  
6 manner as may be deemed appropriate."

7 SECTION 22. Section 431:14-104, Hawaii Revised Statutes,  
8 is amended as follows:

9 1. By amending subsections (a) and (b) to read:

10 "(a) Every insurer shall file with the commissioner every  
11 manual of classifications, rules, and rates, every rating plan,  
12 every other rating rule, and every modification of any of the  
13 foregoing that it proposes to use; provided that filings with  
14 regard to specific inland marine risks, which by general custom  
15 of the business are not written according to manual rate or  
16 rating plans, and bail bonds, subject to section 804-62, shall  
17 not be required pursuant to this subsection.

18 Every filing shall:

19 (1) State its proposed effective date;

20 (2) Indicate the character and extent of the coverage  
21 contemplated;



(3) Include a report on investment income; and

(4) Be accompanied by a \$50 fee[, ~~payable to the~~  
~~commissioner,~~] to be deposited in the commissioner's  
education and training fund.

(b) [~~For each~~] Each filing[, ~~an insurer~~] shall [~~submit~~] be  
submitted to the commissioner[~~+~~

~~(1) An electronic copy of the filing; or~~

~~(2) Two printed copies of the filing.~~

~~The commissioner may also request a printed version of an  
electronic filing to be submitted pursuant to paragraph (1).]~~  
via the National Association of Insurance Commissioners' System  
for Electronic Rates and Forms Filing or an equivalent service  
approved by the commissioner."

2. By amending subsection (k) to read:

"(k) The following rates shall become effective when  
filed:

(1) Specific inland marine [~~rates~~] rate filings on risks  
specially rated by a rating organization or an  
advisory organization;

(2) Any special filing with respect to a surety or  
guaranty bond required by law [~~or by~~], court or



1 executive order, or ~~[by]~~ order or rule of a public  
2 body, not covered by a previous filing; and

3 (3) Any special filing with respect to any class of  
4 insurance, subdivision, or combination thereof that is  
5 subject to individual risk premium modification and  
6 has been agreed to by an insured under a formal or an  
7 informal bid process.

8 The filed rates shall be deemed ~~[to meet the requirements of~~  
9 ~~this article until the time the commissioner reviews the filing~~  
10 ~~and]~~ approved so long as the filing remains in effect."

11 SECTION 23. Section 431:14-104.5, Hawaii Revised Statutes,  
12 is amended to read as follows:

13 "**§431:14-104.5 Loss cost filings.** When required by the  
14 commissioner, the rating organization or advisory organization  
15 shall file for approval all prospective loss costs, ~~[and all]~~  
16 supplementary rating information, and every change ~~[or]~~,  
17 amendment, or modification ~~[of any of the foregoing]~~ thereto  
18 proposed for use in this State. The filings shall be subject to  
19 ~~[section]~~ sections 431:14-104 ~~[and section]~~, 431:14-105, and  
20 431:14-106 and other provisions of article 14 relating to  
21 filings made by insurers."



SECTION 24. Section 431:14-105, Hawaii Revised Statutes,  
is amended to read as follows:

**"§431:14-105 Policy revisions that alter coverage. (a)**

Any policy revisions that alter coverage in any manner shall be  
filed with the commissioner and shall include an analysis of the  
impact ~~[of]~~ each revision has on rates[-

~~(b) A filing shall consist of either:~~

~~(1) An electronic copy of the filing; or~~

~~(2) Two printed copies of the filing.~~

~~The commissioner may also request a printed version of an  
electronic filing to be submitted pursuant to paragraph (1).] or~~  
loss costs.

~~[(e)]~~ (b) After review by the commissioner, the  
commissioner shall determine whether a rate filing for the  
policy revision must be submitted in accordance with section  
431:14-104."

SECTION 25. Section 431:14-108, Hawaii Revised Statutes,  
is amended to read as follows:

**"§431:14-108 Deviations. (a)** Except for those lines of  
insurance for which the commissioner determines ~~[that]~~  
individual rate filings shall be made, every member of or





1 subscriber to a rating organization shall adhere to the filings  
2 the organization made on its behalf ~~[by the organization, except~~  
3 ~~that]~~; provided that any insurer may ~~[make written application]~~  
4 submit a rate filing to the commissioner to file a deviation  
5 from the class rates, schedules, rating plans, or rules  
6 respecting any class of insurance, ~~[or]~~ class of risk within a  
7 class of insurance, or combination thereof. The ~~[application]~~  
8 rate filing shall specify the basis for the deviation and shall  
9 be accompanied by the data upon which the applicant relies. [A]  
10 The filer shall simultaneously send a copy of the ~~[application]~~  
11 deviation and data ~~[shall be sent simultaneously]~~ to the rating  
12 organization.

13 ~~[(b) The commissioner shall set a time and place for a~~  
14 ~~hearing at which the insurer and the rating organization may be~~  
15 ~~heard, and shall give them not less than ten days' written~~  
16 ~~notice thereof. In the event the commissioner is advised by the~~  
17 ~~rating organization that it does not desire a hearing, the~~  
18 ~~commissioner may, upon the consent of the applicant, waive the~~  
19 ~~hearing.~~

20 ~~(e)]~~ (b) In considering the ~~[application to file a]~~  
21 deviation, the commissioner shall ~~[give consideration to]~~



1 consider the available statistics and the principles for  
2 ratemaking [~~as provided~~] in section 431:14-103. The  
3 commissioner shall [~~issue an order permitting~~] approve the  
4 filing of the deviation [~~to be filed~~] if the commissioner finds  
5 that it [~~to be~~] is justified. The deviation shall become  
6 effective upon [~~issuance of~~] the commissioner's [~~order.~~]  
7 approval of the proposed effective date of the filing. The  
8 commissioner shall [~~issue an order denying~~] disapprove the  
9 [~~application~~] rate filing if the commissioner finds [~~that~~] the  
10 deviation is not justified or [~~that~~] the resulting premiums  
11 would be excessive, inadequate, or unfairly discriminatory.  
12 Each deviation [~~permitted to be~~] filed shall be effective for a  
13 period of one year from the date of [~~the order~~] approval, unless  
14 terminated sooner with [~~the~~] approval [~~of~~] by the commissioner."

15 SECTION 26. Section 431:14G-105, Hawaii Revised Statutes,  
16 is amended by amending subsections (a) and (b) to read as  
17 follows:

18 "(a) Every managed care plan shall file with the  
19 commissioner every rate, charge, classification, schedule,  
20 practice, or rule and every modification of any of the foregoing  
21 that it proposes to use. Every filing shall:



- 1 (1) State its proposed effective date;
- 2 (2) Indicate the character and extent of the coverage
- 3 contemplated;
- 4 (3) Include a report on investment income; and
- 5 (4) Be accompanied by a \$50 fee [~~payable to the~~
- 6 ~~commissioner which shall~~] to be deposited in the
- 7 commissioner's education and training fund.

8 (b) [~~For each~~] Each filing[, ~~an insurer~~] shall [~~submit~~] be

9 submitted to the commissioner[+]

10 ~~(1) An electronic copy of the filing; or~~

11 ~~(2) Two printed copies of the filing;~~

12 ~~provided that the commissioner may request that an insurer that~~

13 ~~submits an electronic copy of the filing pursuant to paragraph~~

14 ~~(1) to also submit a printed copy of the electronic filing.] via~~

15 the National Association of Insurance Commissioners' System for

16 Electronic Rates and Forms Filing or an equivalent service

17 approved by the commissioner."

18 SECTION 27. Section 431:19-103, Hawaii Revised Statutes,

19 is amended to read as follows:

20 "**§431:19-103 Names of companies.** (a) No captive

21 insurance company shall adopt a name that is the same,



1 deceptively similar, or likely to be confused with or mistaken  
2 for any other existing business name registered in the State[  
3 ~~except that the commissioner may allow a branch captive~~  
4 ~~insurance company to be licensed in this State under a different~~  
5 ~~trade name if the normal name of the branch captive insurance~~  
6 ~~company is not available for use in this State].~~

7 (b) A captive insurance company shall apply to the  
8 department of commerce and consumer affairs and the commissioner  
9 for approval of the use or change of a trade name pursuant to  
10 section 431:2- ."

11 SECTION 28. Section 431:19-115, Hawaii Revised Statutes,  
12 is amended by amending subsections (a), (b), and (c) to read as  
13 follows:

14 "(a) No insurance laws of this State, other than those  
15 ~~[contained]~~ in this article, article 15, or ~~[contained in~~  
16 ~~specific references contained]~~ specifically referenced in this  
17 section ~~[or]~~, this article, or article 15, shall apply to  
18 captive insurance companies.

19 (b) Sections 431:3-302 to 431:3-304.5, 431:3-307,  
20 431:3-401 to 431:3-409, 431:3-411, 431:3-412, and 431:3-414;  
21 articles 1, 2, 4A, 5, 6, 9A, 9B, 9C, 11, and 11A~~[, and 15]~~; and



1 chapter 431K shall apply to risk retention captive insurance  
2 companies.

3 (c) Articles 1, 2, and 6 [~~and 15~~] shall apply to class 5  
4 companies."

5 SECTION 29. Section 431:26-103, Hawaii Revised Statutes,  
6 is amended by amending subsection (e) to read as follows:

7 "(e) A health carrier shall meet the following access plan  
8 requirements:

9 (1) Beginning on July 1, 2017, a health carrier shall file  
10 with the commissioner for approval, prior to or at the  
11 time it files a newly offered network plan, in a  
12 manner and form defined by rule or order of the  
13 commissioner, an access plan that meets the  
14 requirements of this article;

15 (2) The health carrier may request the commissioner to  
16 deem sections of the access plan as proprietary,  
17 competitive, or trade secret information that shall  
18 not be made public. Information is proprietary,  
19 competitive, or a trade secret if disclosure of the  
20 information would cause the health carrier's  
21 competitors to obtain valuable business information.



1           The health carrier shall make the access plans, absent  
2           proprietary, competitive, or trade secret information,  
3           available online, at the health carrier's business  
4           premises, and to any person upon request; and

- 5           (3) The health carrier shall prepare an access plan prior  
6           to offering a new network plan and shall notify the  
7           commissioner of any material change to any existing  
8           network plan within fifteen business days after the  
9           change occurs. The carrier shall include in the  
10          notice to the commissioner a reasonable time frame  
11          within which the carrier will submit to the  
12          commissioner for approval or file with the  
13          commissioner, as appropriate, an update to an existing  
14          access plan."

15          SECTION 30. Section 431:26-104, Hawaii Revised Statutes,  
16          is amended by amending subsection (f) to read as follows:

17          "(f) Selection standards shall be developed pursuant to  
18          the following:

- 19          (1) Health carrier selection standards for selecting and  
20          tiering, as applicable, participating providers shall



1 be developed for providers and each health care  
2 professional specialty;

3 (2) The standards shall be used in determining the  
4 selection of participating providers by the health  
5 carrier and the intermediaries with which the health  
6 carrier contracts. The standards shall meet  
7 requirements relating to health care professional  
8 credentialing verification developed by the  
9 commissioner by order or through rules adopted  
10 pursuant to chapter 91;

11 (3) Selection criteria shall not be established in a  
12 manner:

13 (A) That would allow a health carrier to discriminate  
14 against high risk populations by excluding  
15 providers because the providers are located in  
16 geographic areas that contain populations or  
17 providers presenting a risk of higher than  
18 average claims, losses, or health care services  
19 utilization;

20 (B) That would exclude providers because the  
21 providers treat or specialize in treating



1 populations presenting a risk of higher than  
2 average claims, losses, or health care services  
3 utilization; or

4 (C) That would discriminate with respect to  
5 participation under the health benefit plan  
6 against any provider who is acting within the  
7 scope of the provider's license or certification  
8 under applicable state law or regulations;  
9 provided that this subparagraph shall not be  
10 construed to require a health carrier to contract  
11 with any provider who is willing to abide by the  
12 terms and conditions for participation  
13 established by the carrier;

14 (4) Notwithstanding paragraph (3), a carrier shall not be  
15 prohibited from declining to select a provider who  
16 fails to meet the other legitimate selection criteria  
17 of the carrier developed in compliance with this  
18 article; and

19 (5) This article does not require a health carrier, its  
20 intermediaries, or the provider networks with which  
21 the carrier and its intermediaries contract, to employ





1 specific providers acting within the scope of the  
2 providers' license or certification under applicable  
3 state law that may meet the selection criteria of the  
4 carrier, or to contract with or retain more providers  
5 acting within the scope of the providers' license or  
6 certification under applicable state law than are  
7 necessary to maintain a sufficient provider network."

8 SECTION 31. Section 431:30-112, Hawaii Revised Statutes,  
9 is amended by amending subsection (d) to read as follows:

10 "(d) A compacting state may opt out of a uniform standard,  
11 either by legislation or by rule adopted by the insurance  
12 commissioner. If a compacting state elects to opt out of a  
13 uniform standard by rule, it shall:

14 (1) Give written notice to the commission no later than  
15 ten business days after the later of the adoption of  
16 the uniform standard or the state becoming a  
17 compacting state; and

18 (2) Find that the uniform standard does not provide  
19 reasonable protections to the citizens of the state,  
20 given the conditions in the state. The commissioner  
21 shall make specific findings of fact and conclusions



1 of law, based on a preponderance of the evidence,  
2 detailing the conditions in the state that warrant a  
3 departure from the uniform standard and determining  
4 that the uniform standard would not reasonably protect  
5 the citizens of the state. The commissioner shall  
6 consider and balance the following factors and find  
7 that the conditions in the state and needs of the  
8 citizens of the state outweigh:

9 (A) The intent of the legislature to participate in,  
10 and reap the benefits of, an interstate agreement  
11 to establish national uniform consumer  
12 protections for the products subject to this  
13 article; and

14 (B) The presumption that a uniform standard adopted  
15 by the commission provides reasonable protections  
16 to consumers of the relevant product.

17 Notwithstanding the foregoing, a compacting state may,  
18 at the time of its enactment of this compact,  
19 prospectively opt out of all uniform standards  
20 involving long-term care insurance products by  
21 expressly providing for such opt out in the enacted



1 compact, and such an opt out shall not be treated as a  
2 material variance in the offer or acceptance of any  
3 state to participate in this compact. An opt out  
4 pursuant to this section shall be effective at the  
5 time of enactment of this compact by the compacting  
6 state and shall apply to all existing uniform  
7 standards involving long-term care insurance products  
8 and those subsequently adopted[~~;~~ and

9 ~~(3) In accordance with the provisions of paragraph (2),~~  
10 ~~this State does prospectively opt out of all uniform~~  
11 ~~standards involving long term care insurance products~~  
12 ~~promulgated by the commission, as this State has~~  
13 ~~previously enacted article 10H providing additional~~  
14 ~~standards for federal conformity and universal~~  
15 ~~availability for reciprocal beneficiary and multi-~~  
16 ~~generation populace which facilitates flexibility and~~  
17 ~~innovation in the development of long term care~~  
18 ~~insurance coverage]."~~

19 SECTION 32. Section 432:1-604.5, Hawaii Revised Statutes,  
20 is amended to read as follows:



1           "§432:1-604.5 Contraceptive services. (a)

2   Notwithstanding any provision of law to the contrary, each  
3   employer group health policy, contract, plan, or agreement  
4   issued or renewed in this State on or after January 1, 2000,  
5   shall cease to exclude contraceptive services or supplies, and  
6   contraceptive prescription drug coverage for the subscriber or  
7   any dependent of the subscriber who is covered by the policy,  
8   subject to the exclusion under section 431:10A-116.7.

9           (b) Except as provided in subsection (c), all policies,  
10   contracts, plans, or agreements under subsection (a), that  
11   provide contraceptive services or supplies[7] or prescription  
12   drug coverage[7] shall not exclude any prescription  
13   contraceptive supplies or impose any unusual copayment, charge,  
14   or waiting requirement for such drug or device.

15           (c) Coverage for contraceptives shall include at least one  
16   brand from the monophasic, multiphasic, and the progestin-only  
17   categories. A member shall receive coverage for any other oral  
18   contraceptive only if:

19           (1) Use of brands covered has resulted in an adverse drug  
20                reaction; or



(2) The member has not used the brands covered and, based on the member's past medical history, the prescribing health care provider believes that use of the brands covered would result in an adverse reaction.

(d) Coverage required by this section shall include reimbursement to a prescribing health care provider or dispensing entity for prescription contraceptive supplies intended to last for up to a twelve-month period for a member.

~~[(e) Coverage required by this section shall include reimbursement to a prescribing and dispensing pharmacist who prescribes and dispenses contraceptive supplies pursuant to section 461-11.6.]~~

~~(f)]~~ (e) For purposes of this section:

"Contraceptive services" means physician-delivered, physician-supervised, physician assistant-delivered, advanced practice registered nurse-delivered, nurse-delivered, or pharmacist-delivered medical services intended to promote the effective use of contraceptive supplies or devices to prevent unwanted pregnancy.



1 "Contraceptive supplies" means all Food and Drug  
2 Administration-approved contraceptive drugs or devices used to  
3 prevent unwanted pregnancy.

4 [~~(g)~~] (f) Nothing in this section shall be construed to  
5 extend the practice or privileges of any health care provider  
6 beyond that provided in the laws governing the provider's  
7 practice and privileges."

8 SECTION 33. Section 432:1-607.3, Hawaii Revised Statutes,  
9 is amended by amending subsection (e) to read as follows:

10 "(e) As used in this section unless the context requires  
11 otherwise:

12 "Actual gender identity" means a person's internal sense of  
13 being male, female, a gender different from the gender assigned  
14 at birth, a transgender person, or neither male nor female.

15 "Gender transition" means the process of a person changing  
16 the person's outward appearance or sex characteristics to accord  
17 with the person's actual gender identity.

18 "Perceived gender identity" means an observer's impression  
19 of another person's actual gender identity or the observer's own  
20 impression that the person is male, female, a gender different



1 from the gender [~~designed~~] assigned at birth, a transgender  
2 person, or neither male nor female.

3 "Transgender person" means a person who has gender identity  
4 disorder or gender dysphoria, has received health care services  
5 related to gender transition, adopts the appearance or behavior  
6 of the opposite sex, or otherwise identifies as a gender  
7 different from the gender assigned to that person at birth."

8 SECTION 34. Section 432D-26.3, Hawaii Revised Statutes, is  
9 amended by amending subsection (e) to read as follows:

10 "(e) As used in this section unless the context requires  
11 otherwise:

12 "Actual gender identity" means a person's internal sense of  
13 being male, female, a gender different from the gender assigned  
14 at birth, a transgender person, or neither male nor female.

15 "Gender transition" means the process of a person changing  
16 the person's outward appearance or sex characteristics to accord  
17 with the person's actual gender identity.

18 "Perceived gender identity" means an observer's impression  
19 of another person's actual gender identity or the observer's own  
20 impression that the person is male, female, a gender different



1 from the gender [designed] assigned at birth, a transgender  
2 person, or neither male nor female.

3 "Transgender person" means a person who has gender identity  
4 disorder or gender dysphoria, has received health care services  
5 related to gender transition, adopts the appearance or behavior  
6 of the opposite sex, or otherwise identifies as a gender  
7 different from the gender assigned to that person at birth."

8 SECTION 35. Section 431:10A-102.5, Hawaii Revised  
9 Statutes, is repealed.

10 [~~"§431:10A-102.5 Limited benefit health insurance. (a)~~  
11 ~~Except as provided in subsection (b) or elsewhere in this~~  
12 ~~article, when used in this article, the terms "accident~~  
13 ~~insurance", "health insurance", or "sickness insurance" shall~~  
14 ~~not include an accident only, specified disease, hospital~~  
15 ~~indemnity, long term care, disability, dental, vision, medicare~~  
16 ~~supplement, short term, limited duration health insurance, or~~  
17 ~~other limited benefit health insurance contract that pays~~  
18 ~~benefits directly to the insured or the insured's assigns and in~~  
19 ~~which the amount of the benefit paid is not based upon the~~  
20 ~~actual costs incurred by the insured.~~





~~(b) When used in sections 431:10A 104, 431:10A 105,  
431:10A 106, 431:10A 107, 431:10A 108, 431:10A 109, 431:10A 110,  
431:10A 111, 431:10A 112, 431:10A 113, 431:10A 114, 431:10A 117,  
431:10A 118, 431:10A 601, 431:10A 602, 431:10A 603, and  
431:10A 604, except as otherwise provided, the terms "accident  
insurance", "accident and health or sickness insurance", "health  
insurance", or "sickness insurance" shall include an accident-  
only, specified disease, hospital indemnity, long term care,  
disability, dental, vision, medicare supplement, short term  
limited duration health insurance, or other limited benefit  
health insurance contract regardless of the manner in which  
benefits are paid; provided that if any of the requirements set  
forth in the foregoing sections as applied to long term care  
insurance conflict with the provisions of article 10H, the  
provisions of article 10H shall govern and control."]~~

SECTION 36. Section 432:1-611, Hawaii Revised Statutes, is  
repealed.

~~["§432:1-611 Reimbursement for services of advanced  
practice registered nurses. All individual and group hospital  
and medical service plan contracts and medical service  
corporation contracts under this article shall provide~~



1 ~~reimbursement for health plan covered services provided by~~  
2 ~~advanced practice registered nurses licensed pursuant to chapter~~  
3 ~~457-"]~~

4 SECTION 37. Sections 431:10A-132, 431:10A-134,  
5 431:10A-140, 431:26-102, 431S-1, 432:1-613, and 432:1-620,  
6 Hawaii Revised Statutes, are amended by substituting the section  
7 number 431:10A-C, substituting the appropriate section number  
8 for the letter used in designating the new section, pursuant to  
9 section 38 of this Act, wherever the section number  
10 431:10A-102.5 appears.

11 SECTION 38. In codifying the new sections added by  
12 sections 1, 3, and 4 of this Act, the revisor of statutes shall  
13 substitute appropriate section numbers for the letters used in  
14 designating and referring to the new sections in this Act.

15 SECTION 39. Statutory material to be repealed is bracketed  
16 and stricken. New statutory material is underscored.

17 SECTION 40. This Act shall take effect upon its approval;  
18 provided that:

19 (1) Sections 2, 7, 12, 13, 14, 15, and 27 shall take  
20 effect on October 1, 2019;



- 1           (2) Sections 1, 5, 20, and 21 shall take effect on  
2           January 1, 2020; and  
3           (3) The first filing of the corporate governance annual  
4           disclosure, required by section 1 of this Act, shall  
5           be in 2020.  
6



**Report Title:**

Insurance; Health Insurance; Corporate Governance; National Association of Insurance Commissioners; Corporate Governance Annual Disclosure Model Act; Trade Name; Assumed Name; Pre-Existing Disclosure; Provider Reimbursement; Pharmacist; Contraceptive; Advanced Practice Registered Nurses; Group-wide Supervision; Gender Identity; Captive

**Description:**

Updates various areas of the State's insurance laws, including: adopting the NAIC's Corporate Governance Annual Disclosure Model Act beginning on 1/1/2020; allowing the department of commerce and consumer affairs and insurance commissioner to determine whether a request to add or change a trade name or assumed name satisfies certain requirements beginning on 10/1/2019; clarifying certain provider reimbursement requirements; moving provisions related to limited benefit health insurance to article 10A, HRS; adopting revisions to the Insurance Holding Company System Regulatory Act beginning on 1/1/2020; providing the insurance commissioner with additional regulatory authority to supervise or liquidate a captive insurer; enabling the insurance division to create stopgap measures to implement the Network Adequacy Model Act; and making various housekeeping amendments. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

